



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

05 June 2008

CUSTOMS MEMORANDUM ORDER

No. 26-2008

**TO: ALL DISTRICT/PORT COLLECTORS
ALL OTHERS CONCERNED**

**SUBJECT: Importations Entered Under Warehousing Entries but
Subsequently Converted to Consumption Entries**

It has come to the attention of this Office that raw materials authorized by this Bureau destined for customs manufacturing warehouses, after having been entered under warehousing entries, have invariably been allowed to pay taxes and duties and thereafter withdrawn. Although these transactions appear to be legal in that customs duties have been collected, such however defeats the rationale of a customs bonded warehouse. Thus, said transactions shall be strictly construed and shall be considered as an exception rather than the rule.

In view thereof, for such transactions, the customs bonded warehouse operator shall apply in writing for the payment of taxes and duties on the goods and their eventual withdrawal, stating valid reasons therein, which will be subject to the approval of the Customs Bonded Warehouse Committee as recommended by the operating division and District Collector concerned with the end view of conducting review of the concerned CBW license by removing from the list of articles or reducing the volume of authorized importation, taking into account its domestic sale. Except for Public and Private CBWs, withdrawal for domestic consumption shall in no way shall exceed 30% of a particular shipment. Moreover, the assessment/appraisal of the said transactions shall be conducted by the Formal Entry Division or equivalent unit, subject to clearance by VRIS-OCOM.

This Order supersedes CMO 1-2005 and shall take effect immediately.

NAPOLEON D. MORALES
Commissioner



08-03041
Napoleon D. Morales